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FOREIGN NEWS ON APPLES

MARKETING APPLES IN THE NETHERLANDS

Rotterdam might be spoken of as the gateway to Western Europe for American fruits. The Netherlands and the Rhineland receive their supplies of American apples through Rotterdam. From here they are distributed as far south as the Swiss border.

In years of normal crops, however, the Netherlands and Germany are supplied with domestic apples during the fall months. The demand for American apples does not show life until these are out of the way. The time of the year that this occurs will vary from season to season, depending upon the volume of the Continental crop, but ordinarily the markets through this sector will demand some American apples for the Christmas trade, starting about the first of December. This year the date was later than usual, on account of the enormous home crop. After the first of January the real demand starts, lasting until the end of the season.

Some American shippers, thinking of the satisfactory Dutch markets at the end of the season, forget the competition of domestic apples and start consigning to these markets at the same timesthat are busiest in American markets. This results in putting apples in a country that is already exporting and ends in disastrous prices. This of course gives the wrong impression about the market and holds back supplies at a season when they should come forth.

Classes of Apples Wanted.

Rotterdam shows a much keener demand for boxed apples than for those in barrels. The trade states that very few barreled apples have been sold in Rotterdam. The Dutch people themselves do not consume large quantities of American apples so that undoubtedly the demand for culinary apples is supplied by home-orchards, whereas there is an outlet for fancy fruit.

One possible explanation of why barreled apples are not taken through this market may be as follows: Germany has quarantine regulations against the admission of fruit showing evidence of disease or infection, and it is much easier to determine with certainty as to the liability of infection in a box package than in a barrel. In the case of the Dutch ports of entry, inspection does not take place until the goods reach the international boundary. If a buyer in Germany has a consignment of apples which is refused entry after it leaves the port he is apt to stand a great loss. Consequently buyers would buy boxes at Rotterdam with much greater freedom than they would barrels.

Prior to the Christmas season this market wants red apples as the German people make much of Christmas and want red fruit during the season. After the middle of January and during the balance of the winter Yellow Newtowns are in favor. Of the red varieties the following are favorites: Jonathan, Spitzenburg, and Winesap. The Rome Beauty and Arkansas Black also find a market when in good condition and bright.

This market is not so particular as to sizes as the British market. It will take an ordinary run of sizes providing too many are not 125's and larger. Apples in Holland and Germany are sold by the pound and from 150 to 200 are really the favored sizes.

Transportation an Important Factor

The principal reason making Rotterdam the primary market for this region rather than such ports as Amsterdam, Antwerp, Bremen or Hamburg is transportation. The Holland-American Line, which has its terminal docks and sheds at Rotterdam, offers a service, which coupled with good rail connections with the interior makes a transportation combination that has sent a vast volume of all kinds of shipping and trade through Rotterdam.

The Panama-Pacific service of the Holland-American Line has added greatly to its prestige in the transportation of American apples. Direct shipments from Portland and Seattle in refrigerator ships have given such uniform success in landing the fruit in a fresh and firm condition with packages practically free from breakage, as to win great popularity among the apple buyers of Western Germany and Holland. These cargoes are eagerly looked forward to and realize higher prices than apples shipped from London or even direct shipments from New York, on account of their better conditions.

While Amsterdam may be as popular as Rotterdam as a primary market for Mediterranean oranges and lemons, and is an important port market for these fruits, this fact does not seem to influence the apple trade. Mediterranean steamship lines make Amsterdam a port of call and with good rail facilities for interior distribution, Amsterdam can figure as well as Rotterdam in citrus fruit distribution. However, when apples are billed from New York, or from Pacific Coast ports to Amsterdam as a destination, they are discharged at Rotterdam and are re-shipped by canal to Amsterdam. By selling the apples in Rotterdam, time, handling and extra expense are saved on all fruit not destined for consumption in the city of Amsterdam.

Methods of Auction Sales in Holland.

The so-called "Dutch System" of auction sales is not used with our fruit in either Rotterdam or Amsterdam. The Dutch or Dial system of auction sales is a method designed to save time in selling small lots and consists in having an electric push-buttom at the seat of each buyer. This wire is connected with electrical equipment at the front of the room whereby the index hand on a large dial, 6 or 8 feet in diameter is arrested the instant the buyer touches his button, at the same instant a light flashes on behind a number on the face of the dial, which is the number of his seat. The goods are catalogued in the usual manner and as each lot comes up for display the auctioneer announces the lot, sets the hand at "twelve o'clock" which is indicated on the dial by a price mark

considerably above the going market. The dial index hand starts its swing and as it goes from the high price to low the prospective buyer watches as it approaches the figure which he thinks he can pay for the lot. When the hand reaches that figure he presses the button and the hand stops, indicating the price paid and the number of the buyer. The clerk records the sale as the auctioneer swings the index hand back to the zenith of the dial and announces another lot. Those that missed out buying the first lot will stop the hand at a higher figure on the next lot if the commodity is scarce and the demand justifies them in elevating their price.

Little, if any, private selling is done by the brokers in handling the distribution of cargoes of American apples through Rotterdam. Auctions are held at the steamship sheds on Mondays and Thursdays.

Most of the American apples arriving at Rotterdam are discharged at the quays of the Holland-American Line at Rynhaven, and are piled in their sheds. The steamship company does its own stevedoring and portering at a moderate cost and in a satisfactory manner. The brokers have their dock men, or selectors, who at the time of discharging segregate the packages in separate piles as to variety, brand, size and grade. From the count of the various piles in the sheds the fruit is catalogued for auction sale in a manner that is common to all fruit auction sales. Prospective buyers then inspect the fruit in the steamship sheds.

Buyer's Association Selects Auction Samples.

The fruit buyers in Holland control auction sales even to a greater degree than is the case in Liverpool. The Netherlands Association of Fruit Wholesalers has a membership of about 300 buyers who license the buyers who may sell to them at auction. There is a mutual agreement between buyers and auction brokers that the ones will only buy from and the others sell to each other.

Instead of the brokers selecting the samples to be exhibited at the auction sales as is done all over Great Britain, here the Association of Buyers appoints their own men to do the selecting from the cargoes. If the broker is not satisfied that these men have selected representative samples, they may select their own samples and have two sets displayed at the sale.

German Buyers at the Closed Auctions.

It has been noted that only members of the buyers' association can buy at these sales. Buyers from outside of Holland are not allowed to become members of this association. It follows that when wholesale buyers from cities like Dusseldorf and Cologne visit the auctions at Rotterdam it is necessary for them to employ one of the regular members to do their buying for them. They are charged a nominal fee, (amounting to about 2-1/2 cents per box) for this service.

Some of the Dutch brokers maintain branch houses in Western Germany to work up trade. It is not necessary for the German buyer to go to Rotterdam to effect purchases at the sales, as they often depend upon their Dutch buyers to inspect the fruit and take delivery for them.

Costs of Handling and Selling at Rotterdam.

As the steamships own their own facilities there are no municipal dock dues. The expense of keeping up the harbors, channels, etc., is borne by the national government which receives a revenue on imports amounting to a duty of 5%.

The steamship company makes a charge for piling in their sheds which amounts to between 2 cents and 3 cents per box of apples, or 6 cents to 9 cents per barrel.

The brokers make a handling charge which includes the above item and other expenses which they incur in sorting and cataloguing. This inclusive charge is .50(Dutch) or 20.2 cents (U.S.) for boxes apples and .65 (Dutch) or 26.2 cents (U.S.). Not enough barrels were handled at Rotterdam to give a figure. In addition to the above charges the brokers charge the shippers a selling commission of 6%.

The Dutch buyers are so small that the brokers stale that there was not a possibility of their making purchases f.o.b. America. If the business evolved to that nature they would not be in the market. The undependable supply and fluctuating American prices prevented Dutch brokers from becoming speculators in American apples, therefor removed any interest that they might have in inspection.

Suggestion For Improvement of the Dutch Market.

The great criticism of the handling of the Dutch market is the fluctuating and undependable supplies. Apparently no American shippers who are in a position to have an export policy have taken the Dutch outlet seriously. Consequently it has had to depend for supplies relayed from Liverpool, Southampton or London when brokers in those ports got more than they could handle. The result has been that certain Dutch and German markets have not been handling American apples in as steady a volume nor have they been supplied with fruit of as good quality as they deserved. Some American shippers should adopt the policy of furnishing supplies regularly to Rotterdam in the proper season.

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